https://www.financial-planning.com/list/the-top-20-technology-funds-of-the-decade

The top 20 technology funds of the decade
By Rob Burgess
September 23, 2024 4:56 PM

With the advent of AI, investing in tech funds in recent years may have given many investors a big boost. The broader tech sector now makes up around one third of the S&P 500; one area in particular has done well, thanks in part to that AI boom — semiconductors.

"While we generally recommend sector and style allocations that are in line with market weights, we believe that allocating nearly one-third of a client's equity exposure to a single sector is excessive," said Ryan Bouchard, founder and chief investment officer of Rising Tide Wealth Advisory Solutions in St. Louis. "Despite the strong performance of the tech sector in recent years, driven by a handful of the largest companies, reducing exposure to it can help lower overall portfolio volatility, which supports better compounding over time. "By incorporating smarter diversification strategies, we have found that capping a client's equity allocation to technology at around 20% provides a smoother investment experience, while still capturing the lion's share of the sector's attractive returns."

Noah Damsky, chartered financial analyst and founder of Marina Wealth Advisors in Los Angeles, said if investors want to incorporate non-U.S. stocks, then technology will make up less than one-third of a total portfolio, "but one-third is a great starting point."

"We start with market weight exposures to the U.S. market sectors such as technology, then adjust up or down based on our one- to three-year outlook," said Damsky.

Deciding how much of a client's portfolio should be allocated toward technology depends on their risk tolerance and overall financial goals, said Romy A. Pickron, founder and CEO of Asset Achievers in Dallas.

"For a growth-focused investor, I might suggest allocating 25% to 30% to tech, given its potential for high returns but also higher volatility," she said. For more conservative clients, a smaller allocation of 10% to 15% can provide exposure to tech without overextending risk."

To evaluate these investments, Pickron said she looks at a combination of the company's fundamentals, like revenue growth and profitability, as well as industry trends, ensuring the investment aligns with the client's goals and risk appetite.

"Diversification within tech is also important in balancing high-growth companies

with more stable ones," she said.

Tyler E. Smith, financial advisor and founder of BBK Wealth in Fishers, Indiana, said he always recommends clients have tech exposure — but not more than 15%.

"If my clients are younger or want to be more aggressive, we slide as high as 20%," he said.

As for individual tech stocks, Smith said he never recommends more than 5% of a portfolio in a single stock.

"I usually try to keep it to less than 3%," he said. "Again, if the client is more aggressive or younger, this figure could slide up a bit."

Scroll through the cardshow below for the top 20 technology funds of the decade, as ranked by their 10-year returns. All data is from Morningstar Direct and is current as of Sept. 13, 2024.

20 Columbia Seligman Tech & Info A (SLMCX)

Fund size	$12.93 billion
Expense ratio	1.20

COLUMBIA THREADNEEDLE

19 BlackRock Technology Opportunities Instl (BGSIX)

Fund size	$5.69 billion
Expense ratio	0.92
1-Year return	35.36%
10-Year annualized return	19.42%

BlackRock

18 iShares Expanded Tech Sector ETF (IGM)

iShares by BlackRock

Fund size	$5.01 billion
Expense ratio	0.41
1-Year return	37.83%
10-Year annualized return	19.52%

17 Columbia Seligman Global Tech A (SHGTX)

COLUMBIA THREADNEEDLE INVESTMENTS

Fund size	$2.33 billion
Expense ratio	1.27
1-Year return	26.77%
10-Year annualized return	19.64%

16 Columbia Global Technology Growth Inst (CMTFX)

Fund size	**$3.38 billion**
Expense ratio	**0.94**
1-Year return	**33.47%**
10-Year annualized return	**19.69%**

15 Fidelity Select Technology (FSPTX)

Fund size	**$15.84 billion**
Expense ratio	**0.64**
1-Year return	**31.49%**
10-Year annualized return	**20.01%**

14 Fidelity MSCI Information Tech ETF (FTEC)

Fund size	**$11.62 billion**
Expense ratio	**0.08**
1-Year return	**30.76%**
10-Year annualized return	**20.02%**

13 The Technology Select Sector SPDR® ETF (XLK)

Fund size	**$68.36 billion**
Expense ratio	**0.09**
1-Year return	**26.50%**
10-Year annualized return	**20.08%**

12 iShares US Technology ETF (IYW)

iShares by BlackRock

Fund size	$18.25 billion
Expense ratio	0.39
1-Year return	33.14%
10-Year annualized return	20.13%

11 Putnam Global Technology Y (PGTYX)

Putnam INVESTMENTS

Fund size	$1.29 billion
Expense ratio	0.86
1-Year return	36.15%
10-Year annualized return	20.24%

10 Vanguard Information Technology ETF (VGT)

Vanguard®

Fund size	$88.64 billion
Expense ratio	0.10
1-Year return	29.98%
10-Year annualized return	20.25%

9 JNL/Mellon Info Tech Sect A

MELLON

Fund size	$6.69 billion
Expense ratio	0.62
1-Year return	36.99%
10-Year annualized return	20.45%

8 SPDR® S&P Semiconductor ETF (XSD)

Fund size	**$1.29 billion**
Expense ratio	**0.35**
1-Year return	**13.12%**
10-Year annualized return	**20.73%**

7 Rydex Electronics Inv (RYSIX)

Fund size	**$125.16 million**
Expense ratio	**1.39**
1-Year return	**33.27%**
10-Year annualized return	**20.80%**

6 Fidelity Advisor Technology I (FATIX)

Fund size	**$6.53 billion**
Expense ratio	**0.68**
1-Year return	**31.96%**
10-Year annualized return	**20.96%**

5 Invesco Semiconductors ETF (PSI)

Fund size	**$769.03 million**
Expense ratio	**0.56**
1-Year return	**23.64%**
10-Year annualized return	**22.77%**

4 iShares Semiconductor ETF (SOXX)

iShares by BlackRock

Fund size	$14.01 billion
Expense ratio	0.35
1-Year return	36.91%
10-Year annualized return	24.37%

3 Fidelity Advisor Semiconductors I (FELIX)

Fidelity INVESTMENTS

Fund size	$2.73 billion
Expense ratio	0.71
1-Year return	44.37%
10-Year annualized return	26.19%

2 Fidelity Select Semiconductors (FSELX)

Fund size	$19.72 billion
Expense ratio	0.65
1-Year return	45.33%
10-Year annualized return	26.51%

1 VanEck Semiconductor ETF (SMH)

VanEck®

Fund size	$22.32 billion
Expense ratio	0.35
1-Year return	56.79%
10-Year annualized return	26.63%